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OLD FORGE BOROUGH COUNCIL
OLD FORGE, PENNSYLVANIA

IN RE: COUNCIL WORK SESSION

JULY 11, 2023

7:00 P.M.

OLD FORGE MUNICIPAL BUILDING
314 SOUTH MAIN STREET
OLD FORGE, PENNSYLVANIA

COUNCIL MEMBERS:

- RUSSELL RINALDI, PRESIDENT
- RICK NOTARI
- LOUIS FEBBO
- JAMES HOOVER
- ANDREW BUTLER
- WILLIAM RINALDI, ESQUIRE, SOLICITOR
- MARYLYNN BARTOLETTI, BOROUGH MANAGER
- ROBERT LEGG, MAYOR

Mark Wozniak
Official Court Reporter

1 MR. RUSSELL RINALDI: Good evening,
2 ladies and gentlemen. I'd like to call the
3 meeting to order with the Pledge of
4 Allegiance.

5 (The Pledge of Allegiance was
6 recited.)

7 MR. RUSSELL RINALDI: Roll call,
8 please, Marylynn.

9 MS. BARTOLETTI: Councilwoman
10 Avvisato is absent. Councilman Butler?

11 MR. BUTLER: Here.

12 MS. BARTOLETTI: Councilman Febbo?

13 MR. FEBBO: Present.

14 MS. BARTOLETTI: Councilman Hoover?

15 MR. HOOVER: Here.

16 MS. BARTOLETTI: Councilman Lettieri
17 is absent. Councilman Notari?

18 MR. NOTARI: Present.

19 MS. BARTOLETTI: Councilman Rinaldi?

20 MR. RUSSELL RINALDI: Here. Once
21 again, ladies and gentlemen, welcome to the
22 Old Forge Borough work session. Tonight is
23 Tuesday, July 11, 2023. The purpose of our
24 meeting will be to set our agenda which will
25 be for next Tuesday, July 18, 2023, at 7

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p.m.

Tonight we'll go through our department heads, we'll hear from our borough manager, our chief of police, our counsel members and the mayor, see if they have anything for the agenda for our meeting next week.

We'll also have two parties here this evening. Two gentlemen from Lackawanna County Regional Storm Water. They're going to give us a presentation. Then we have Mr. George Dunbar giving us a presentation on his upcoming development.

Before we go to our regular meeting situation we're going to let the gentlemen give their presentation first. We'll start with the gentleman from the storm water, Mark and Lee. Whenever you guys are ready.

MR. SPATZ: Good evening, council. My name is Mark Spatz. I'm with Herbert, Rowland & Grubic. We're a civil engineering firm that specializes in helping entities stand up, such things that we're going to talk about tonight. With me this evening is Lee as well.

1 ATTY. STINNETT: Hi, I'm Lee
2 Stinnett. I'm an attorney with
3 Salzmann-Hughes, we've helped over a hundred
4 communities establish storm water
5 authorities. So we're going to talk about
6 sort of the process, especially for this
7 joint proposal that we're looking at. But
8 the general process for setting up storm
9 water authorities and the advantages our
10 clients have experienced in going this route
11 in terms of cost savings and the needs
12 between the management and the program.

13 MR. SPATZ: So a little bit more
14 about myself and HRG. We've been doing this
15 since 1963. We've helped a lot of entities
16 set up sewer authorities, is where it really
17 started, but storm water authorities and
18 other types of municipal authorities. So
19 our capital planning and solutions divisions
20 have a unique entity within our firm that
21 kind of does that stuff. That's kind of the
22 specialty things that we work with with
23 Lee's law firm to get legal components and
24 kind of working hand-in-hand on that.

25 The regional storm water interest in

1 Lackawanna County started in 2019 with
2 interest from various municipalities and the
3 senator's office at that time in exploring
4 if it makes sense in Lackawanna County.
5 Ultimately there was a convening of
6 municipalities at that time from the entire
7 county area. Not all municipalities were
8 represented but a number of them. Many
9 municipalities were there. Over 26
10 municipalities were there and a
11 representative from those, and we'll talk
12 about that in a little bit. So that's kind
13 of the kick off of it. We took some surveys
14 and went from there.

15 The city of Scranton saw that it
16 made a lot of sense. They thought about it
17 quite a bit and said, you know, they really
18 think that this makes sense for the city
19 area and took the initiative to issue an RFP
20 out to do a study on that and kind of put
21 some figures together, put some schematics
22 of how would this thing get stood up. How
23 would it make sense in Lackawanna County.
24 It does make sense in Lackawanna County.
25 HRG responded to RFP and we were selected

1 for that, and that's how it kind of brings
2 us to the table.

3 That study was completed this year,
4 and tonight we're going to go over some of
5 the findings of that and kind of why we're
6 here in Old Forge Borough talking about
7 this.

8 So you know, we'll talk about storm
9 water tonight, and hopefully I'll keep it
10 brief. If there is questions from council,
11 please don't hesitate to jump in. If
12 there's any confusion I'm pretty --
13 hopefully decently good on my feet. But
14 don't hesitate to ask questions.

15 So storm water challenges, you're
16 probably well aware, as most municipalities
17 are dealing with polluted streams in the
18 valley area, regulations in the NS4
19 program -- and we'll talk about that in a
20 second. Make sure we get everybody on the
21 same page. We have aging infrastructure and
22 flooding. So here's just some localized
23 flooding events in Scranton and here in the
24 Abingtons and the Dickson City area.
25 They're all over the place. We don't have

1 any specific pictures here for Old Forge but
2 you guys know the area better than I do with
3 just the flooding difficulties. This really
4 gets compounded with the rainfall events.
5 We've been seeing more intense rain storms
6 over the last 20 years, and we've seen the
7 wettest years on record in the last hundred
8 years and within the last 20 years. So the
9 aging infrastructure, all these things kind
10 of compound together and makes it kind of
11 difficult for all the municipalities to deal
12 with storm water in general.

13 Obviously with looking at that and
14 the guise of everything else that
15 municipalities try to take care of, from
16 streets to developments and just all the
17 regulatory requirements that municipalities
18 are dealing with, storm water is just
19 another entity. I mean, municipalities are
20 responsible for sewer, and in many cases in
21 that scenario where in the 1960s sewer
22 became required to be treated, that was kind
23 of pushed to authorities to handle that
24 specific task because it was a big, major
25 undertaking.

1 Storm water is similar to that.
2 It's just right on the cusp. So this is the
3 beginning of where municipalities are
4 deciding to either create authorities
5 individually or work together in
6 collaboration to create authorities to kind
7 of take some of that storm water burden off
8 of the general municipal ledger and also the
9 responsibilities of everyday operations that
10 municipalities have and authorities just to
11 specialize in.

12 So where are we now? Specifically
13 talking about regulations. That was one of
14 the pieces. So we know flooding and things
15 of that nature, but there is this MS4 permit
16 requirements that require municipalities to
17 clean their waterways. I know Old Forge
18 definitely has the permit, and over the last
19 permit cycle you'll find a ten percent
20 reduction in sediment leaving the streets of
21 the borough and has to get treated in some
22 way, shape or form. There's other
23 requirements for mapping and things of that
24 nature.

25 Many of the municipalities are

1 behind on that. Old Forge is part of that.
2 So there's a requirement over the last --
3 we're in this 2018 to 2025 cycle, but a lot
4 of the stresses and strains of those permits
5 and requirements municipalities are feeling
6 because they're somewhat behind on it, and
7 the best way to -- you know, don't believe
8 me for that. Talk to DEP about it. They're
9 trying to make sure everybody gets caught
10 up.

11 Going forward to the next point, so
12 this is kind of the first thing in the
13 permit cycle. In the next permit cycle
14 they're going to be looking at additional
15 requirements. Most likely a volume
16 reduction requirement. So this first five
17 years it was a sediment reduction
18 requirement, so this is like a little -- the
19 dirt coming off the streets, to reduce that
20 from going into the streams. Then it will
21 be a volume reduction requirement moving
22 forward.

23 So where do these come from and why
24 are these here? Well, back to the polluted
25 streams part. A quarter of the streams --

1 and this is -- you know, I'm just relaying
2 information on this. This comes from the
3 DEP. But a quarter of the streams in
4 Pennsylvania, roughly 19,000 miles, don't
5 support natural aquatic life anymore because
6 of all the pollution and increased runoff
7 and things of that nature. So we're trying
8 to hold that line and obviously over time
9 reverse that, and that's where this is
10 coming from. You might have heard, like,
11 the pollution in the Chesapeake Bay and all
12 that kind of stuff. It's happening there
13 and it's happening in our local waterways as
14 well, and obviously it keeps getting worse,
15 worse and worse. We won't be able to fish
16 and things of that nature in the long term.

17 So that's a big part of what a
18 regional storm water authority tackles,
19 taking on and taking this burden of these
20 regulatory requirements off of
21 municipalities to address them just like the
22 sewer authorities do.

23 So ultimately why are we here?
24 Regional approaches. You know, working
25 together, bottom line, saves money. We live

1 in communities because working together
2 makes things -- you know, we collaborate, it
3 makes life easier. There's definitely --
4 there's regional sewer authorities. Old
5 Forge is a part of that. It's a regional
6 sewer authority because it saves money.
7 Instead of Old Forge just handling sewer
8 service all by themselves you're a part of a
9 regional collaboration.

10 Same thing happens for storm water
11 and addressing storm water. Right now you
12 have to address your storm water items
13 within the borough's limits, but that's not
14 how the water drains. It goes from the
15 mountain, down through and across and keeps
16 flowing downhill. Nature doesn't care about
17 our political boundaries, so it's sometimes
18 very difficult to address storm water issues
19 when you're confined to the box that the
20 municipal boundaries are. So as a regional
21 entity it kind of takes those restrictions
22 off. It can get a little bit more smart
23 about the planning about where to do BMPs,
24 these things that clean up the water. Where
25 you put these things, so on and so forth.

1 There's other benefits as well. I'm
2 not going to go through each one of these.
3 You can see them up here, but scale funding
4 opportunities is another huge benefit. I
5 digress. Moving forward, DEP is going to
6 lessen the regulatory burden for regional
7 entities versus individual municipalities as
8 somewhat of a carrot to hopefully get people
9 to work together on this because they
10 recognize regional entities are very
11 successful in meeting their obligations and
12 requirements. Individual municipalities
13 typically lag behind. They have to issue
14 nastygrams and ultimately fines and they
15 don't want to be doing that. They'd rather
16 have people figure out how to work together
17 and address these things and they don't want
18 to do that stuff. But they're going to
19 throw a carrot out there.

20 The next big thing, regional
21 entities typically work or will work and set
22 up opportunities with working with entities
23 like the Army Corps of Engineers. The Army
24 Corp of Engineers is obviously federal.
25 They're federally funded and they'll come in

1 and they'll pay for half of the -- whatever
2 they're involved in through federal dollars.
3 The Army Corps loves to work with regional
4 entities, big areas of jurisdiction. Not as
5 much for smaller entities. This is a pretty
6 big outfit. So you get the leverage of
7 we're a bigger regional entity. You get
8 more political capital with less legislative
9 view on grant applications and things of
10 that nature, and then more opportunities.
11 We also work with USGS on mapping. So
12 again, another big federal entity that would
13 come in and -- typically does come in and
14 partner with a regional entity.

15 So those are the three kind of
16 biggest things -- and we'll talk about cost
17 savings a little bit more. But you can see
18 holistic sources, supporting water shed
19 planning. It makes more sense from that
20 standpoint. Capital regulatory, so on and
21 so forth. You can see some other benefits
22 here. Administrative savings. You don't
23 have each municipality come and do work.
24 You'll have the one whole entity do the
25 paperwork for the whole region.

1 So like I said before, we did a big
2 municipal meeting at the senator's office.
3 Senator Blake, who was the senator at the
4 time, facilitated a meeting where
5 municipalities were invited by their office.
6 DEP was there as well. We took a survey.
7 In this I'm going to talk about eight
8 municipalities that we're making this
9 presentation to around the city of Scranton.
10 Old Forge, of course, is one of them. All
11 eight municipalities had some sort of person
12 there. Maybe it was a manager, maybe it was
13 somebody from council, maybe it was an
14 administrator. Somebody was there for the
15 municipalities. We had a hundred percent of
16 eight people that were at that meeting.

17 In some of the surveys we took we
18 just asked various questions to see if
19 there's any aspects before this even gets
20 started to look at this. One of the big
21 questions was would this municipality be
22 willing to give up some local control for a
23 regional collaborative, and the answer was
24 yes. What I'm talking about with that is,
25 you know, obviously for a regional entity

1 the borough would be involved. You appoint
2 somebody from the borough to sit on that
3 board. So that person as your appointee
4 would speak for the borough and make sure
5 they have the borough's interest in mind,
6 but you wouldn't be handling it directly at
7 council meetings. You typically would
8 assess projects. You're not losing control
9 but it's not directed to your council
10 meetings. It would be the borough
11 appointee, obviously.

12 We see the need for increased
13 funding. That was a comment. The
14 municipalities would be receiving some funds
15 back to help with local infrastructure.
16 Minor things like inlet repairs, new grates,
17 cleaning out and a bunch of things like
18 that.

19 Then we talked about where can they
20 use the most support. Do they think their
21 municipalities can use funding for
22 infrastructure, sediment removal and
23 administrative items, which is a lot of
24 paperwork and things like that. So that's
25 kind of the results.

1 So out of eight -- again, these are
2 the eight we're talking about. You can see
3 the city of Scranton on there, you can see
4 Old Forge, Moosic, Taylor, Dunmore, Dickson
5 City, South Abington and Clarks Summit. So
6 we're basically making our rounds. I only
7 have after tonight Taylor and Old Forge and
8 Moosic left to go. We did South Abington
9 yesterday. Clarks Summit actually voted
10 already to take this next step. I don't
11 think it's a major next step but it's an
12 affirmation. If you have interest you can
13 take a look at this.

14 So like I said, what the city passed
15 so far is a kind of study in two different
16 forms in 2018 and 2021. They did try to
17 discuss it with the county at that time if
18 the county would be interested in looking at
19 a countywide solution at the time. That
20 changes every year with political things
21 moving around. But there was no interest at
22 the time, so it's been passed that long now,
23 standing something up by the municipalities
24 to make a new authority, which honestly I
25 think is a little bit better, because then

1 you would be appointing somebody to that
2 board, whether it's a county thing. It's
3 the county. It's not directly in the
4 purview of this board.

5 So again, current vision is an eight
6 municipality regional storm water authority,
7 and those are the eight that we're talking
8 to at this time.

9 Getting back to some of the survey
10 results, you can see here the results of
11 what we kind of talked about before.
12 Regional projects, storm water, flooding,
13 infrastructure maintenance. So the main
14 point of this is to try and show we're
15 taking feedback to set the direction. We're
16 not just coming out with something saying
17 hey, what are the issues. We're trying to
18 get feedback as we go, and that largely sets
19 (inaudible) because it is what we as a local
20 entity make it. And I'm not from somewhere
21 way far away. I live in South Abington.

22 So regional storm water management
23 vision. We got to start somewhere with some
24 sort of framework, and this can be altered
25 as we go. Especially, obviously, if you're

1 a regional partner. But the vision so far
2 to set some sort of vision is that we have a
3 two phase approach. Phase one the authority
4 would work on funding for municipalities for
5 local infrastructure improvements, funding
6 for regulatory compliance, existing
7 infrastructure maintenance. Again,
8 regulatory BMPs, which are things which are
9 used to clean up the waterways, the mapping
10 requirements that are going to be due here
11 soon and for levy maintenance.

12 Phase two could be -- and this is a
13 little bit farther out, so this is kind of
14 more -- most of these are subject to input
15 as this kind of comes together. But this
16 one is subject to even more. It just
17 wouldn't be contemplated until the authority
18 is actually up and running. It would be
19 complete all permit administrative items.
20 Complete all the MS4, taking over levy
21 infrastructure and maintenance improvements,
22 regional flood projects. Like a specific
23 flood issue that the borough may have in a
24 certain area, things like that. So, again,
25 just the two phase approach.

1 So as we talked about, a lot of it
2 was cost savings that needed to really be
3 the emphasis of why this would make sense,
4 which, honestly, completely makes sense as a
5 main driver. If it's not going to save
6 municipalities money to be in a regional
7 collaborative there might be other benefits,
8 but, honestly, money talks. Right? And
9 it's got to make sense financially.

10 So in that survey response we looked
11 at what percentage would need to be saved to
12 make it make sense for your municipality.
13 Again, this is back when the eight folks or
14 more that were there. You can see, the
15 majority said about 30 percent, 20 percent,
16 some said as little as ten percent, one and
17 one said 50 and 40 percent. Keep those
18 percentages in mind. The point is 30 on
19 average. If we can save more than 20 or 30
20 percent it would make a lot of sense.

21 So as I mentioned at the top, this
22 is not our first rodeo. We've done this a
23 bunch of times. We've done it a bunch of
24 times with Lee's outfit all over the state,
25 so we have a lot of figures and facts based

1 on, you know, experiences in other areas
2 that we can use and take that data and
3 localize it to make that make sense, because
4 people think, like, yeah, that's a lot of
5 foo foo. If I build a road out here and get
6 the square footage cost from that contractor
7 and say okay, that is probably a good
8 estimate of square footage cost as it's
9 going to cost me down in Stroudsburg. It
10 might not be right on the money but it is
11 good because that's what engineers do all
12 the time. That's what contractors do all
13 the time. So it's taking that concept of
14 you have cost in this area, you can see how
15 it played out. Let's localize that to this
16 region and see how that matrix works and
17 does it make sense for cost saving.

18 There is one city in the eight, so
19 we could have just labeled it Scranton, and
20 there's one township in the eight. We could
21 have just labeled that South Abington. But
22 there's multiple boroughs. I'm not exactly
23 sure what borough this was. I can get that
24 information. But we looked at it and said
25 okay, as a regional collaborative what would

1 the cost savings be to a municipality versus
2 going it alone. Over a 20 year period going
3 to alone versus working together. With the
4 city it was about a 25 percent savings, for
5 boroughs about 50 percent savings. So about
6 half the cost.

7 For all the reasons I talked about
8 so far -- and that applies to, like, nine
9 reasons, and even more. But that's the
10 matrix. I know we just have a couple
11 figures up here, but this is a detailed
12 study. So if anybody wants to know any
13 specifics or are critical about certain
14 things, how did you get to that, I'd be more
15 than happy to talk to people about it. This
16 is not a -- this is factual stuff. We're
17 not trying to -- this is not a sales pitch
18 either. This is totally an information
19 session to give you information based on our
20 findings.

21 We then said okay, we see the cost
22 savings, and in our questionnaire back in
23 2019 what did folks in that room think it
24 made sense to -- obviously there's a need of
25 financial income to take on these tasks.

1 Would the best way to do that be a cost
2 share agreement by all the municipalities
3 just like you'd fund maybe a regional park,
4 or -- I'm not sure. I know in South
5 Abington I'm on the Hillside Park board and
6 each municipality -- there's five
7 municipalities that own that park and each
8 give a contribution to that park. That just
9 comes from tax dollars. Does it make sense
10 to do a cost share agreement, which is
11 basically tax dollars or a storm water fee.
12 Hundred percent response the municipalities
13 at that meeting said storm water fee makes
14 sense. So that's why we went in that
15 direction.

16 But there is two ways to do it. You
17 don't have to do a storm water fee. In the
18 fee structure, just a fee structure alone --
19 and there's a reason sewer authorities do a
20 fee structure. You get additional cost
21 savings. Those numbers go up from 56 --
22 from 25 percent to 56, and you see 93 and
23 98. A huge increase. One of the bottom
24 lines is everybody that's within the
25 municipality that receives service gets a

1 fee. There is no tax exemption, things of
2 that nature that basically take that burden
3 off of that specific property and then put
4 it on the taxpayers. Everybody's fee for
5 service equally across the board, so you
6 don't get any -- again, you don't get any
7 kind of shift on the tax base.

8 So with that, fees, fees aren't
9 good, but they're not bad fees. Ultimately
10 it's a fee for service, so it's a bottom up
11 approach, it's not a top down. You have to
12 justify -- legally you have to justify a
13 fee. Like, what are your actual expenses,
14 what are your actual costs, and then that
15 boils up to a fee. So it's not like this
16 authority which you have an appointee to to
17 begin with can just make whatever fee they
18 want. Doesn't work like that. Legally they
19 have to justify it and there's a challenge
20 if they don't.

21 Based on projections so far you're
22 looking at -- it will be about -- a monthly
23 fee for -- residential will be \$4.00 or
24 \$6.00 per month. Less than \$100 for the
25 whole year. Municipalities -- and that's in

1 phase one. You can see if you have levy
2 services, it goes a little higher with the
3 levy. The folks here this evening obviously
4 are not within the levy protection. That's
5 phase one, this is phase two. These numbers
6 are subject to -- we need to tweak those in
7 as we go here. One major factor you need to
8 know, who's going to be a part of this? Is
9 it two municipalities or all eight? It's
10 going to have an impact.

11 So that's kind of why we're here
12 tonight, to see -- to get this information
13 to you. We're not actually looking for any
14 feedback other than questions. But
15 ultimately we'll get feedback from the
16 borough, see if you're interested in taking
17 the next steps on this.

18 So again, back to that survey, we
19 said hey -- we talked about a bunch of stuff
20 at that time and said hey, is this something
21 that seems to make sense for your
22 municipality, and everybody basically agreed
23 except one that said unsure.

24 The next steps are you can see where
25 in the May and June time frame we're doing

1 this presentation business plan. That's our
2 broad picture business plan to
3 municipalities. Then we had an MOU,
4 memorandum of understanding, we did send out
5 to the solicitors -- your solicitor
6 specifically, Mr. Rinaldi, was there and
7 asked questions and things of that nature,
8 so he got a chance. The MOU is three pages.

9 ATTY. STINNETT: Yes, it spills over
10 to three. So a three page MOU is actually a
11 pretty big accomplishment for us lawyers.
12 Basically, the MOU serves a handful of
13 purposes. One, we heard a lot today about
14 the steps we need to take to get to the
15 point of the phased approaches, and there
16 are several that we need to get there.

17 First is in my experience in working
18 and setting up these regional approaches in
19 other areas of execution of an MOU. It's a
20 vote we take at a public meeting. That
21 demonstrates a little bit to your solicitor
22 and your engineer that you're serious and
23 you want them to engage with us to help to
24 determine what services you all want. What
25 you want to see out of this program. So

1 that just, I think, is helpful to us as
2 consultants. We know that you want us
3 working on this and it puts the
4 authorization to do so. That's because the
5 other part of the MOU is really aimed at
6 getting us to the intermunicipal agreement,
7 which is listed a little bit lower. So we
8 have a drafting of a governmental
9 cooperation agreement. That's fall of '23
10 with a finalized version in winter of 2024.

11 So that document is going to be one
12 of the more important documents that comes
13 out of this process. That document is going
14 to be much longer than three pages, but it's
15 going to outline all of the services that
16 the municipalities will receive. The
17 intergovernmental cooperation agreement
18 might involve different services for
19 different municipalities.

20 But all of that is designed to help
21 us work to determine the budget and the
22 level of service that your community wants
23 because that can vary based on the
24 municipality, based on budgetary concerns,
25 and in general how good of a program do you

1 want for your residents. All that goes into
2 eventually ending up with a fee.

3 The other important part of the
4 intergovernmental cooperation and why it's
5 important to start it now, when we did these
6 regional approaches -- and Mark mentioned
7 that one of the drivers for this right now
8 is in the next permit phase DEP said we're
9 going to encourage regionalization by
10 reducing the amount of reductions,
11 essentially, you have to make. Well, in
12 order to have a regional approach approved
13 by the department to get those benefits they
14 require an intergovernmental cooperation
15 that they have also reviewed and agreed is
16 good for the parties.

17 So in order to do all of this stuff
18 we have to start with the MOU to get to
19 negotiating the ICA, getting that approved
20 by the department and getting that in place
21 so we can sort of move forward with all
22 final steps to establish the end goal and
23 the fee.

24 So that's why it's important to get
25 this MOU out in front of you now. Again, it

1 is simple. It's essentially a memorandum of
2 understanding that you guys are going to
3 work with us to get down that road, and
4 maybe if we get to some point in that road
5 and it doesn't work that's fine. We can
6 part ways. We don't have that happen often,
7 but in order to start seeing if we're going
8 to get to that point we need to start
9 working with your solicitor and your
10 engineer under that MOU to develop the
11 program so we can get to this end goal.

12 MR. SPATZ: So again, just to
13 reiterate, the MOU, we'll be sending that to
14 the borough for council to review with your
15 solicitor and have a chance to review it as
16 well. Obviously, at any given time you guys
17 have my card, your solicitor knows my
18 information as well, your engineer, so on
19 and so forth. We're always open to
20 questions, comments, concerns.

21 Ultimately, that MOU would be
22 something that council would act upon.
23 Again, not for tonight, of course, because
24 we're done. Something for your
25 consideration over the next month or so.

1 Welcome to come back to address questions,
2 comments, concerns at any given time. It's
3 a non-binding document, but it is -- many
4 municipalities ask me wait, you want us to
5 approve something that we can just step out?
6 Like, yeah, that kind of -- you're right.
7 Why do you need that? Because you're
8 approving something at a meeting that is --
9 you're going to take a vote on it, you're
10 thinking about it, and it's that affirmation
11 step for us to say hey, are we working with
12 eight, are we working with seven, are we
13 working with two, and who are we working
14 with, because obviously we need to refine
15 things, start talking about the
16 intergovernmental cooperation agreement. If
17 you say hey, we'll sign the MOU but there's
18 some things we really want you to know that
19 we're going to be looking for, we want to
20 make sure we're taking that because it is --
21 again, it's not them and you. A lot of time
22 we will talk regional and it's, like, they.
23 It's not they, it's us. You're appointing a
24 board member just like a bunch of stuff.

25 I work on this -- I'm a chairman of

1 South Abington for Hillside Park, and we
2 always are battling against the -- well, you
3 guys -- you appointed me. I work for the
4 township. I don't get paid, but I work for
5 the municipality. It's your park. It's
6 literally your park. This is your
7 authority.

8 If there's any questions I can
9 address those. If not, we can wrap it up.

10 MR. NOTARI: Who designs the plan,
11 who constructs the plan? Is that your
12 company? Is that somebody else that would
13 be hired by the authority?

14 MR. SPATZ: Which plans
15 specifically?

16 MR. NOTARI: Storm water management
17 plan.

18 MR. SPATZ: So you have a -- we
19 typically work with all the engineers, so
20 your engineer would stay involved, and it's
21 a collaborative approach. Generally the
22 authority would have an engineer which --
23 it's non-profit. There's no guarantee once
24 it gets stood up it would have typically an
25 engineer just like a sewer authority has.

1 Hopefully when that engineer -- if we're
2 lucky enough for it to be us we would make
3 sure we're working with each of the
4 municipalities' engineer -- because that's
5 your trusted engineer -- to come up with a
6 comprehensive plan that makes sense for
7 every municipality's engineer. I would
8 think municipalities should be looking to
9 that consultant that they've hired to --

10 MR. NOTARI: Is every system going
11 to be tied in together? Is that how it
12 would work?

13 MR. SPATZ: No, it differs from
14 sewer in that relation. You're not taking
15 everything to, like, a central plant.
16 You're installing things like rain gardens,
17 ultimately volume reduction that's coming in
18 the next storm cycle. Those are things like
19 underground retention, storm water basins.
20 There's other ways like vegetative swales.
21 There's a whole plethora of what they call
22 green infrastructures you can do. Usually
23 they involve grass and things like that. So
24 there's a whole plethora of those things
25 that get sprinkled around generally in all

1 the different entities that are involved.
2 So there would be some in Old Forge.

3 ATTY. STINNETT: Also with the
4 reduction plan would be the storm water
5 plan. As part of that process, the actual
6 department-driven process, in addition to
7 the background work that would go into
8 developing that plan with whoever the
9 engineer for the authority is with each of
10 the member municipalities there is also the
11 public comment period that's required of it,
12 and in that the municipality would have a
13 say and have an opportunity -- and the
14 engineer -- to offer comment to that as
15 well.

16 MR. NOTARI: So I guess what you
17 just told me it's one system, that each
18 municipality has its own system. So where
19 does it start first? Because I know a lot
20 of people have concerns that this is
21 Scranton trying to get everybody else to
22 pitch in to help them.

23 MR. SPATZ: Honestly, it's the other
24 way around. Scranton has the biggest
25 population. They just have the least amount

1 of open area. So Scranton gets expensive
2 looking at these. Not saying it won't be,
3 but it's expensive because it's a city. So
4 to Scranton's benefit there would be a
5 decent amount of capital raised in Scranton,
6 but to get the best bang for that buck it
7 makes sense for them to partner with the
8 regional entities to see if they can look at
9 what makes sense for an open space within
10 the town and within Scranton, of course.

11 MR. NOTARI: So there could, then,
12 be multiple projects going on at the same
13 time.

14 MR. SPATZ: Absolutely there will be
15 multiple -- it will not be one single thing.

16 MR. NOTARI: Not like we're going to
17 start in Scranton, and then when we're done
18 with Scranton we're going to go to South
19 Abington, then we're going to go to Clarks
20 Summit, and then --

21 MR. SPATZ: No, it's all the same
22 time. So for WVSA, 31 municipalities. Each
23 municipality has BMPs. Their engineers
24 designed and helped build for the authority,
25 but for WVSA. They're working for WVSA now.

1 certain aspects. Okay, we would prefer more
2 streets. We can look into that. We can
3 build that into the program and the
4 agreement between you and the authority. So
5 it might not necessarily be a big project,
6 it's that oh, we received these services.
7 At WWSA we have some municipalities that
8 opted in to other services that WWSA
9 provides. So one municipality might not
10 have any projects. They receive all the
11 benefits from the large regional project
12 that satisfies their production, but then
13 they have this service that they didn't
14 previously have for the residents provided
15 at a cost-effective basis from a shared
16 service provider.

17 MR. SPATZ: And there's other little
18 things that happen there, too. So one piece
19 is that the residents, they don't appreciate
20 the BMPs because they probably don't see
21 them as much. Right? They may see some
22 rain gardens and stuff like that. The park
23 you've got, they appreciate seeing that
24 going down the street, but they never see --
25 they appreciate the back inlet that always

1 used to get flooded is now cleaned every two
2 years. It's just little things, and it
3 makes a difference from a flood protection
4 view because that is not being cleaned.
5 That's why their front yard was flooding.
6 So it's all these little things, really, are
7 what people appreciate the most.

8 But from a municipal level what's
9 the big thing? That they're actually
10 getting the BMP done in compliance.
11 Nobody's in the threat of being fined,
12 things of that nature. So it's kind of a
13 two-prong approach.

14 MR. NOTARI: In your presentation it
15 said an approximate annual fee would be
16 about \$350,000 for a borough. What would
17 the start up cost be for a municipality --

18 MR. SPATZ: So there is no start up
19 fee.

20 MR. NOTARI: The total annual storm
21 water revenue fee, so that was approximately
22 \$340,000 a year?

23 MR. SPATZ: Yeah, and that would be
24 through the fee structure.

25 MR. NOTARI: So is there a start-up

1 cost? Okay, Old Forge is in. How much are
2 they going to be expected to contribute
3 right off the bat to get this off the
4 ground?

5 ATTY. STINNETT: So we can't say for
6 certain, and I actually have a very good
7 reason for that. In the past, when we were
8 setting up these regional authorities -- do
9 you remember the ICA I mentioned? When we
10 did the first one, I remember sitting in a
11 meeting with DEP and the representative from
12 DEP kept saying these municipalities have to
13 have skin in the game, and my response was
14 why do you care about skin in the game? One
15 entity is taking all of the costs of setting
16 up this program and it's going to be built
17 into the rates that are charged and we're
18 not going to make the municipalities pay.
19 We're not going to make them pay any
20 up-front costs to join us.

21 His response was well, they have to
22 have skin in the game. I said is \$500
23 enough? He said no. I said is a thousand
24 dollars enough? He said no. Finally we get
25 to \$3,000. Each of the 31 municipalities

1 had to pay \$3,000 because the department
2 wanted skin in the game.

3 Now the department is saying we're
4 going to incentivize you to do the regional
5 approach. My question is going to be can we
6 get rid of the skin in the game component
7 there, and that's why we're unsure. It
8 could be very little. It could be zero, it
9 could be a nominal sum. But right now
10 there's no expected you need to pay us
11 \$50,000 to join.

12 MR. NOTARI: Well, who pays for your
13 services?

14 MR. SPATZ: The city of Scranton is
15 paying. They see the interest in this.
16 They're going to work to stand something up.
17 They're paying through their ARPA fund right
18 now. They push some of their ARPA funds
19 towards standing this up.

20 MR. NOTARI: Lastly, if we don't
21 decide right now to get in can you get in
22 down the road?

23 MR. SPATZ: That would be up to the
24 municipalities that stand this up. They
25 might say -- that would be up to the

1 municipalities because there could be -- I
2 could see where people in that group that
3 say yeah, you're going to have to help us
4 recoup some of the cost. That's going to
5 make the differential between where if you
6 would have come in up front we would have
7 got fee reductions more. Now it's blah,
8 blah, blah.

9 ATTY. STINNETT: When I've drafted
10 these in the past we have a subsequent
11 participation option. I don't know it will
12 be here, but in the past it's been written
13 in a way that was nebulous enough for that
14 number to be set when someone wants to join,
15 and I think that you could, human nature,
16 expect that if seven municipalities jumped
17 in, started going to meetings and then a
18 year and a half down the road everyone sees
19 how great a program it hopefully is they
20 want to join then. I think the skin in the
21 game wouldn't necessarily be significant.

22 MR. HOOVER: Do you have
23 municipalities joining?

24 MR. SPATZ: Clarks Summit Borough
25 voted to sign the intergovernmental -- not

1 the intergovernmental, just the MOU. Again,
2 just like the borough here, but that is a
3 big affirmation step. We were at the
4 meeting, they were interested in it. It
5 made sense for them. They were, like, you
6 need us to sign this and pass this. And I
7 tell them the flip side of it. I don't want
8 you to pass an MOU if you're going to cancel
9 later. Don't do that. Only do it if you
10 think this really is interesting and you
11 want to take those next steps. Granted,
12 keeping in mind that if at some point it
13 doesn't become interesting anymore you can
14 back out. But I'm trying to be an honest
15 broker in all my presentations, but I need
16 the borough to be an honest broker, too.
17 Right? So if you really think this makes
18 sense for the next couple months --

19 MR. HOOVER: Seven municipalities?

20 MR. SPATZ: Eight total.

21 MR. HOOVER: If municipalities go
22 down the money's going to go up.

23 MR. SPATZ: Not necessarily because
24 there are other clients there.

25 MR. NOTARI: But those numbers are

1 based on eight.

2 MR. SPATZ: Those numbers are based
3 on eight, but it's not like if eight goes to
4 seven those numbers go up.

5 MR. NOTARI: Does it reduce
6 flooding? Is that something that we -- I
7 don't want to say promise but expect?

8 ATTY. STINNETT: So this is
9 something I harped on from the beginning. I
10 kind of cringe when people call this an MS4
11 fee because we are not doing this strictly
12 for regulatory compliance. Obviously huge
13 driver. The environment's important. But
14 at the end of the day there are a lot of
15 general storm water concerns that a
16 municipality has, and when we set these up,
17 italics bold, it's a comprehensive storm
18 water program and it's going to encompass
19 more than just regulatory requirements,
20 because at the end of the day one of the
21 things that I think is really helpful, a
22 year down the road we have a meeting where
23 we come out and say -- two, three years down
24 the road we have a meeting and say here's
25 before, here's after, and those pictures are

1 usually incredibly strong support for the
2 program. I mean, every client we've done
3 this for has had that meeting and the
4 response is -- obviously nobody likes the
5 fee, but bang for the buck I think three
6 years down the road the citizens see that
7 bang for the buck.

8 MR. SPATZ: So on the flooding
9 aspect, on the engineering side I've seen
10 localized flooding get reduced from better
11 maintenance, but these funds can be used for
12 other things, just like sewer fees. Sewer
13 fees have to be used for sewer. Same thing
14 happens with storm water. So the money back
15 that the municipalities put up, they get
16 some funds back to the general ledger they
17 have to be used for storm water in your town
18 as well, plus the authority's going to help.
19 More attention to that helps reduce
20 localized flooding.

21 Where it gets tough is, like, oh, if
22 we do this we'll never have flooding again.
23 It's, like, let's not get drastic. Rains
24 are getting heavier all the time. It will
25 help reduce flooding but we're not going to

1 do this and all our problems are solved.
2 No, but it's going to be a step in the right
3 direction, and generally we see
4 municipalities do better having the regional
5 approach and that direct attempt to do it.
6 I represent boroughs. Cordell Borough we
7 did a project four years ago. They wanted
8 us to do an entire section of the town. I
9 started looking at it, we don't -- I'm happy
10 to design this for you but you don't need
11 to. All these culverts are half full.
12 You've got to clean them. They just didn't.
13 But now there's an entity that does it, they
14 don't have that flooding. So their solution
15 was just that. So you can see those little
16 things.

17 MR. NOTARI: Thank you. I
18 appreciate the answers.

19 MR. RUSSELL RINALDI: Mark, is there
20 a deadline to sign the --

21 MR. SPATZ: We're going to be
22 probably nagging you, you know, August time
23 frame. Hopefully you got that on the
24 agenda. Let us know either way.

25 MR. RUSSELL RINALDI: Councilman

1 Notari asked a question about if we got in
2 later. That's why I asked if there was a
3 deadline.

4 MR. SPATZ: August, September for
5 the MOU. The sooner, the better. We hope
6 to have them in July.

7 MR. RUSSELL RINALDI: You said you
8 have two more municipalities to go to?

9 MR. SPATZ: Taylor on August 7th and
10 Scranton. So technically two.

11 MR. HOOVER: Who are the eight
12 municipalities again?

13 MR. SPATZ: Clarks Summit, South
14 Abington, Old Forge, Moosic, Taylor on
15 August 7th. Moosic in August as well. The
16 rest we're done with the presentation.
17 Clarks Summit signed, I presume Scranton
18 signed the MOUs.

19 MR. RUSSELL RINALDI: What was the
20 first presentation?

21 ATTY. STINNETT: Dunmore, wasn't it?

22 MR. SPATZ: June 20th.

23 ATTY. STINNETT: I think it was June
24 11th. June 12th was the first presentation.

25 MR. RUSSELL RINALDI: Anything else?

1 MR. SPATZ: That's it, unless --

2 MR. LENCESKI: Who would be
3 responsible for any of the borough or city's
4 MS4 reports? Would the authority actually
5 do it?

6 MR. SPATZ: So it's usually a
7 collaborative. The MS4 annual report is
8 usually a collaborative between the local
9 engineering firm and the firm that basically
10 pools them all together for the eight
11 municipalities.

12 MR. LENCESKI: So the authority
13 would actually put it together for the
14 municipality?

15 MR. SPATZ: Correct. Well, they
16 work with the local engineering firm.

17 MR. LOPATKA: A lot of the
18 information comes from us and providing it
19 to them. They would ultimately report it.

20 MR. LENCESKI: Who would go out and
21 inspect the outfalls?

22 MR SPATZ: So in this -- I would
23 have to look, but I think in the context --
24 I'll have to get back to you on that. Some
25 scenarios they've worked with the DPW to do

1 the outfall inspections and some scenarios
2 the authority does it as well. Honestly,
3 the next step is if the borough's interested
4 pass the MOU, then who do you want it to be?
5 Hey, we want you guys to do that. We would
6 look for this authority to do that for us,
7 or no, we want our people to do that.

8 MR. RUSSELL RINALDI: Just so you're
9 aware -- I don't know if you met Joe. Joe
10 is our DPW manager. He's the street
11 commissioner.

12 MR. SPATZ: It wouldn't be for this
13 reporting cycle.

14 ATTY. STINNETT: A lot of times the
15 authority takes over and we kind of tie in
16 with MS4 coordinators and they coordinate
17 with each municipality how that's going to
18 be handled, and it's built into the eventual
19 agreement. I think that was in the second
20 phase of the two phase approach that was put
21 up earlier. It was determining the MS4
22 coordinator role.

23 MR. SPATZ: So from the regional
24 part of this -- and that's why I said it's a
25 collaboration. Some municipalities want

1 their guys to do it because they want to
2 keep their guys busy and it's one of the
3 things that they're doing and they want to
4 keep their guys engaged. Some township guys
5 do it, and it's handled municipality by
6 municipality. So that's why we want to get
7 that feedback from you. What makes sense
8 for you. What level of service.

9 MR. RUSSELL RINALDI: Do any members
10 of the public have any questions for the
11 gentlemen? Any more council members have
12 any questions?

13 Gentlemen, anything else?

14 MR. SPATZ: The building looks
15 great.

16 MR. RUSSELL RINALDI: We also
17 appreciate you coming. The presentation
18 went very well, very detailed. Good job.
19 Thank you very much.

20 Mr. Dunbar, if you guys would like
21 to address us with your presentation.

22 ATTY. GALLACHER: Good evening,
23 council. My name is Michael Gallacher.
24 I've been in front of council several times
25 before. I think many of you know me, and

1 obviously you know my client, Mr. Dunbar.

2 We are here this evening to
3 introduce to borough council a new project,
4 a new development that Mr. Dunbar would like
5 to begin in the very near future. We're
6 going to introduce it, give you a little
7 information about it and ultimately ask that
8 a request for a LERTA be put on the agenda
9 for the next meeting of borough council.

10 I'm going to talk a little bit about
11 the LERTA. Mr. Dunbar is then going to
12 speak a little bit about the development
13 itself as far as what he's looking to do
14 building-wise, construction-wise, that type
15 of thing, and our CPA, Mr. Christopher
16 Wartella, is going to give council some
17 numbers, speaking about the benefits of the
18 development to the Old Forge community.

19 So with regard to the LERTA, what I
20 would like to do is actually start by
21 talking a little bit about Birchwood
22 Estates. Many of you, I'm sure, are
23 familiar with that development. Back in
24 2016, I remember coming in front of council
25 at that time and requesting a LERTA, and for

1 those of you who may not remember, basically
2 LERTA stands for Local Economic
3 Revitalization Tax Assistance Act.
4 Basically, it's an economic revitalization
5 of an area through a tax benefit. When we
6 came in front of council back in 2016
7 Birchwood had just been purchased. The land
8 had been purchased. It was a vacant lot.
9 People were dumping garbage on it. There
10 wasn't really anything there. It was an
11 economic wasteland.

12 As I'm sure council is aware, it is
13 now an economic benefit to the Old Forge
14 community. We are wrapping up in the not
15 too distant future the construction at
16 Birchwood. There's now going to be 192
17 residential units there consisting of one
18 and two bedroom townhouse units, garden
19 townhouse units there. It has been a
20 benefit to the community. It's brought a
21 number of very successful people into the
22 community who have contributed financial
23 dollars, tax dollars, shopped at
24 restaurants, local shops. Brought a lot of
25 money into the community. It's employed a

1 number of people in construction of the
2 development itself, and seven years later
3 the borough is starting to see some of the
4 tax revenue that's now being generated.

5 The LERTA that was granted for
6 Birchwood is basically the LERTA that we're
7 going to be requesting in relation to Holly
8 Ridge. Holly Ridge also is right at Howard
9 Street and Forge Street in Old Forge. It's
10 a very large, undeveloped section of land.
11 Years ago a gentleman came in front of
12 council -- I don't know if any of you were
13 here. It used to be called Misty Ridge. So
14 it's a similar development but we're going
15 to do it better, hopefully.

16 If you haven't gone to Birchwood
17 lately or at all, I would suggest take a
18 drive through there and see what's going on.
19 See what's been created on this -- what was
20 previously undeveloped land and you'll see
21 that that's the type of work that Mr. Dunbar
22 does. He's done a number of other ones.
23 Maple Leaf Village, Lilac Meadows and The
24 Orchards. He really does a high end, high
25 class development which brings a lot of good

1 benefits to the borough of Old Forge, and
2 that's the type of thing we'd like to do
3 here again.

4 Holly Ridge is going to be a bigger
5 project. It's going to cost more money.
6 There is going to be more financing
7 involved. Mr. Dunbar is working with the
8 banks right now to try to get that financing
9 in place. Having a LERTA is critical to
10 getting some of that financing and enabling
11 this development and this project to go
12 forward.

13 With regard to Birchwood, it was, I
14 think, what you would probably call a phased
15 in/phased out LERTA, and by that I mean it
16 was phased in in that the LERTA became
17 effective as the various buildings came on
18 line. When a certificate of occupancy was
19 granted for a particular building or a
20 particular group of buildings, generally
21 three buildings at a time or six buildings
22 at a time, the LERTA would go into effect
23 and it would offer a tax abatement on the
24 increased value of the property. So when we
25 came here in 2016 that property over there

1 was generating a couple thousand dollars in
2 tax revenue for everyone. For the school
3 district, for the county and for the
4 municipality. Now that same property is
5 developing tens of thousands of dollars in
6 tax revenue, and as each building has come
7 on line -- for example, the first year that
8 the certificate of occupancy was granted
9 there was a hundred percent tax abatement of
10 the original increase in value of the
11 property. That would be for years one and
12 two.

13 For years three and four it's a 90
14 percent abatement.

15 For years five and six it's an 80
16 percent abatement.

17 Years seven and eight a 70 percent
18 abatement.

19 Year nine it's a 60 percent
20 abatement.

21 Year ten is a 50 percent abatement,
22 and then there's no abatement after ten
23 years.

24 So that's how it kind of got phased
25 out. It's phased in that some of these

1 buildings that have been constructed are in
2 year six of their abatement. The ones that
3 just came on line recently and got their
4 certificate of occupancy are in year one of
5 the abatement. But when this development is
6 completed, which is going to be in the very
7 near future, ten years from that completion
8 date all of the LERTA will phase out, and
9 it's phasing out, again, over time. So
10 right now we're in year six for some of the
11 buildings. In four years the borough will
12 be getting a hundred percent of the
13 increased tax revenue from those particular
14 buildings. So it's a benefit to the
15 community.

16 That's what we're looking to get,
17 essentially, with regard to Birchwood.
18 That's what we're requesting, that at the
19 next meeting it be put on the agenda for
20 consideration, and when Mr. Dunbar and Mr.
21 Wartella speak to you about the development,
22 the project itself and the numbers we hope
23 that borough council would agree that it
24 would be a benefit and really is the only
25 way that this development can get done.

1 Without this Birchwood would not have
2 happened. It wouldn't have gotten done,
3 especially with the increased cost of
4 construction during Covid, increased labor
5 costs, financing issues and things like
6 that. Without the LERTA that was granted
7 for Birchwood this project would have been
8 stalled years ago and probably would not
9 have been completed.

10 So from our perspective it's
11 critical that we have the LERTA in place,
12 and we think it is a benefit to the
13 community. We think that Mr. Dunbar has
14 done a fabulous job on the projects that
15 he's done and we'd like to do at least one
16 more. So that's what we're here asking for
17 tonight.

18 MR. RUSSELL RINALDI: Mike, my first
19 question would be about the LERTA. There's
20 the three taxing bodies that you're going to
21 be requesting from. The county, the school
22 district and us.

23 ATTY. GALLACHER: Correct.

24 MR. RUSSELL RINALDI: Have you asked
25 to address the other taxing bodies here or

1 are we the first?

2 ATTY. GALLACHER: There is no
3 requirement in the LERTA statute as to who
4 we go to first or in what order we go to.
5 We have approached and have had numerous
6 discussions with regard to the Old Forge
7 School District. We don't have a LERTA from
8 them at this I point in time. We are hoping
9 that we can get together with all three of
10 the taxing entities and get a LERTA that's
11 going to work for everybody and will work
12 for us.

13 With regard to Birchwood, the last
14 time all three taxing entities did agree to
15 the LERTA, as I outlined, where it's phased
16 in and phased out, and that's what we're
17 hoping to get again.

18 MR. RUSSELL RINALDI: I don't know
19 if the question would be for you or Mr.
20 Dunbar or Mr. Wartella. What's the current
21 taxes on the property that is there now?

22 ATTY. GALLACHER: That, I think,
23 Chris would probably have.

24 MR. WARTELLA: The correct taxes on
25 the property were under \$4,000 a year.

1 ATTY. GALLACHER: My recollection is
2 when we came in front of the council for
3 Birchwood I think it was about \$3,000.

4 MR. RUSSELL RINALDI: About, \$2,800.
5 I remember about \$2,800.

6 MR. NOTARI: I'm new to the LERTA
7 thing. Does the LERTA have to be exact for
8 each governing body or could it be
9 different?

10 ATTY. GALLACHER: It does need to be
11 the same for each governing body.

12 MR. NOTARI: So all three would need
13 to agree.

14 ATTY. GALLACHER: Correct.

15 MR. NOTARI: How many buildings are
16 in Birchwood right now?

17 ATTY. GALLACHER: Birchwood, right
18 now the remaining buildings are being
19 constructed. When they're completed, I
20 think we're down to the last five at this
21 point or six at this point.

22 MR. DUNBAR: George Dunbar,
23 President of Birchwood Estates. We're in
24 the last phase, phase seven. We're
25 constructing six buildings, a total of 48

1 units. Once that is completed we'll have a
2 total of 24 buildings and 192 units.

3 MR. NOTARI: The original plan was
4 18 and we added on six more. Correct?

5 ATTY. GALLACHER: We had come before
6 council and different entities requesting an
7 expansion and addition of a couple of
8 buildings. The addition of the buildings
9 actually, I think, is beneficial because it
10 creates more of a tax base, it increases the
11 overall value of the property, and will
12 ultimately create more tax revenue for the
13 borough not only through the taxes on the
14 property but the additional people who are
15 going to be living there and the additional
16 workers that have to be hired to complete
17 those extra buildings.

18 MR. NOTARI: Do we know what each
19 building -- what stage of the LERTA they're
20 in? Do you have that figure?

21 ATTY. GALLACHER: As far as
22 Birchwood? So phase one, we have the first
23 six building, I believe, are on year six
24 right now. We then have -- and George might
25 have this information a little better.

1 MR. DUNBAR: So phase one, which is
2 our first phase, consisted of three
3 buildings. We're already six years there.
4 Think about that. Six years.

5 Phase two, we're already there five
6 years. So we're already paying taxes on it.
7 Remember --

8 MR. NOTARI: I'm just looking for a
9 breakdown in numbers on each. So three
10 buildings are in year six, three buildings
11 are in year five --

12 MR. DUNBAR: Six, five, four, three,
13 two, one, and phase seven is not yet
14 completed. I'm anticipating sometime in
15 November or December it will be completed.
16 All six buildings.

17 MR. NOTARI: So we're at 18 right
18 now. Six at each stage. Six at five to
19 six, six at three to four, six at one to
20 two.

21 ATTY. GALLACHER: Correct. Holly
22 Ridge is going to be a similar timeline.
23 Mr. Dunbar has built these buildings
24 incredibly fast in comparison to other
25 developments. When you see some of these

1 other municipalities, they have much smaller
2 developments. They linger and struggle for
3 years and decades, sometimes, to be built.
4 We're anticipating Holly Ridge, because it's
5 a little bit bigger, is going to take a
6 little more time, but we're still hoping to
7 do it in a rapid manner. That's all I have.

8 MR. RUSSELL RINALDI: Anybody have
9 any questions for Mike before George
10 addresses us? Okay.

11 MR. DUNBAR: Again, for the record
12 my name is George Dunbar. I'm the president
13 of Holly Ridge. Thank you for the
14 opportunity this evening.

15 So back in the late 1800s -- a
16 little history of the land -- there used to
17 be coal breakers, so they used to bring the
18 coal on railroad cars. I'd like to hold on
19 to that word railroad cars. They would
20 bring the coal and they would crush it and
21 disburse it to every municipality. So my
22 architectural concept, I want to preserve
23 the history of the land. All my buildings
24 are going to look like railroad stations.
25 In my opinion there will be nothing like

1 this in the commonwealth of Pennsylvania
2 once it's completed.

3 So the project's going to
4 consist of -- my sequence of construction is
5 going to be the townhomes first. So
6 clusters of townhomes. Each cluster's going
7 to have a building of five and twins, which
8 are two and two, for a total of nine per
9 phase. Right now I'm working with the banks
10 trying to finance this project. It's a lot
11 of money to finance this project, so I'm not
12 there yet. So that's why this LERTA is very
13 important. It helps me get there. It helps
14 the bankers feel more confident and more
15 comfortable.

16 If I do partner with a banker they'd
17 have to participate. What I mean by
18 participation, they're going to have to get
19 other banks to help, because of the volume
20 of the project, monetary wise. So my
21 partners in this are the bankers. Right?
22 So they don't want to come in and build 164,
23 169, 200 units. I have to do it in phases.
24 That's why the phased-in LERTA is so
25 essential for the success of this project.